



CALIFORNIA VETERANS BOARD FORMAL HEARING AND GENERAL SESSION MEETING #659

Friday, July 18, 2003 – 8:30 A.M

**Headquarters California Department of Veterans Affairs
Sacramento, CA**



OPENING COMMENTS/ INTRODUCTIONS:

(Technical problems resulted in a partial tape with many omissions.)

The California Veterans Board (CVB) formal hearing was called to order at 8:30 a.m. California Veterans Board members present included Chairman George Sinopoli (Fresno), Vice Chair Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), Leo Burke (Stockton), Judy Gaze (San Diego) and Larry Lattman (California Veterans Home in Yountville). Legal Counsel John Jackson was also present. CVB Executive Officer Earl Steck was excused.

John Fitzke led the Pledge of Allegiance and the Chairman introduced the Board members.

The members reported on their activities for the past month. Ed Feldman went to a ceremony for Jewish war veterans. Larry Lattman went on a Yountville tour, and appeared before the Senate Legislative Committee and the State Budget Committee. Judy Gaze said she has lobbied to drum up congressional support for H.R. 1742. Jerry Basconcillo went to a "Support Our Servicemen" rally. Chairman Sinopoli attended an American Legion convention and has done much work for the proposed Fresno veterans home.

Debra Kania, new Deputy Secretary of the Veterans Homes Division, gave her first report. On the Barstow Home closure, 71 SNF residents were transferred to the Chula Vista or Yountville homes, or the local community, leaving 21 SNF residents left to be transferred. The transfers are anticipated to resume the second week of September. A new SNF administrator and nurses have been hired. The Division has been helping the Chula Vista Home prepare for its upcoming license survey. Yountville is at capacity, and has hired a new Deputy Administrator. Ed Feldman asked about the Division's top problems and priorities, and Ms. Kania answered that they were Service data accountability, standard of practice, and inter-home support. Mr. Feldman said he wished to be on the group setting policy for the Homes. Ms. Kania said the new homes would run the gamut of all levels of care. Larry Lattman said that a breakdown is needed of the division of the new homes' beds between those different levels of care-RCFE, DOM and SNF.

Debra Lehr, acting Chief of Farm & Home Purchases Division, said that the program has funded 1130 loans during the 2002-2003 fiscal year. A slight increase in loans has been experienced since the rate reduction. As of June 30, there were 22,973 loans in the portfolio totaling \$1.774 billion, and we are processing about 600 payoffs a month. The new online application program is being fine-tuned, and has received 500 “hits” since June 24, with 8 applications in process. Judy Gaze said she would like to see the program increase the loan limit and offer help with the down payment.

Glen Halsey, Chief of the Veterans Services Division, told of the State Fair’s “First Responders Day” which incorporates the military with fire, police and emergency services personnel. They are continuing with the homeless veterans Stand-downs.

There was some discussion of A1 & A12, the issue of independent counsel to the CDVA board. Dr. Feldman was in favor of independent counsel, saying it would dispel appearance of conflict of interest. Cal-Vet legal counsel John Jackson said he thought the Honig case was not relevant, that the CVB was part of the department, not a separate entity. Dr. Feldman did not agree, saying the CVB has components of expertise in establishment of policy, not adjudicating denials. The decision was tabled for further study.

Leo Burke, returning CVB member gave the Legislative Committee’s report on pending legislation and the Board’s recommendations. Support is recommended for AB 188, 189, 207, 214, 232, 505, 669, 683, 1036, 1116, 1179, 1420, 1591, 1593, 1594, 1698, 1736; ACR 14, 17, 36, 73; S.P. 135, 371, 544, 748, 764, 809, 838, 965, 108, 1028, SCR 25, 13, 17, HR 1742. Opposition is recommended for AB 890, SP 369 and 551. Further study is recommended for AB 279, 323, 1148, 1520, SP 368, 385 and 843. The Legislative Committee’s recommendations were unanimously accepted.

John Hanretty gave his report on Contract Management. Personnel cutbacks are being prepared. There are 1174 employees in the Department, and we are proceeding to cut personnel 15%. 174 positions are coming from the Barstow closure, with another 70 cuts scheduled for the Farm and Home program. Farm and Home has a Request For Qualification for two law firms vying for bond counsel services, and a decision will be made by August.

Andy Kotch gave his report on Legislative Affairs. Joint Resolution 21 regarding retired military personnel medical benefits passed its’ committee and would be forwarded to Congress. AB 1036 & 1736 and SB 748, 838 & 965 were still in committee and being closely watched.

Judy Gaze gave an award to be presented to Jerry Blackburn.

The Board discussed appeals. Mr. Escanlon’s appeal was new, and Judy Gaze said she would research it. She also needed more time to look into the Dillard appeal. Regarding R. Nelson’s appeal, Judy said she talked to the veteran and other parties, and although she had concerns about the level of customer service provided by G.A.B., she recommended the denial be upheld. A motion to do so was passed by the Board, with Leo Burke abstaining. R. Nicholas was appealing his denial of retroactive fee waivers for his two college-attending children. Mr. Burke recommended the denial be upheld, and the Board voted in favor, with Leo Burke abstaining.

John Jackson gave the report from the Legal Division. The Carter case decision was appealed and reversed by appellate court, and the deadline for filing an appeal has expired, so this case is over. In the Valenzuela case, there was also a judgment rendered against the Department, but the Department made a motion notwithstanding the verdict which was granted to apply the \$12,000 levied against the department to an offset on an offer of compromise we had made of \$15,000. In the Debbs case, the court granted a

motion for summary judgment, so his case was not stated, and his appeal time is over August 10th. In the Greenback Estates case, the Homeowner's Association sold the house for the arrearages. Lora Curtis, one of our attorneys, filed an action and asked the judge to give us back the house even though someone had been living in it for about three years. The court found in our favor, saying the house was taken with knowledge, since we had a deed on record, and that the sale was improper. The department discovered that this same person had done the same thing to a property of ours in Lake Tahoe, so we have filed an action to recover that property as well.

Julie Hom gave the report from the Inspector General's Office. She said it is in their charter to give advice to the CVB, and suggested having a member of the IG on select committees. At the Governor's request, they are doing a study of the Farm & Home loan program, which is due in January.

OPEN FORUM

Mr. Haley said that the CVB is a forum for vets, and lamented the days when he could come before the Board and ask any question and have it answered without time constraints. He recommended the Board change the wording in the military code regarding the CVB & independent counsel from "may" to "shall". He emphasized the need for independent counsel.

John Fitzke thanked Secretary Johannessen for his recent appearance at a veteran's function in Reno. He said that the BSA report was a lousy one, even though the Board went along with it.

David Grafft said that the appearance of impartiality is needed for the CVB, which the independent counsel would provide. He stated that a homeless stand-down is scheduled for October 3-5. The feds have approved 3 new LA homes, said Mr. Grafft.

UNFINISHED BUSINESS

Tom Kraus spoke of the new veterans homes. The plan was to have the permanent veterans' home information system up and running when the new facilities opened, but we now know that won't happen due to budget constraints. The Request For Proposal is out and 6 vendors have expressed interest in providing the info system. We have an interim system in place now. The Legislative Analyst is suggesting a one-year moratorium on construction of new veterans' homes; we are in disagreement because if we did not apply for the funds and the funds became available, those funds would probably go to another state. If we don't apply for the funding now, there is no assurance that federal funding will be available in the future. The intent is to move ahead simultaneously with the next two facilities, San Diego and Lancaster. We are in support of related legislation introduced this year, SB 1382 and AB 2015. Another proposal is reducing funding for the Yountville home by \$500,000. As the home is a 112-year-old facility with a lot of deferred maintenance, we will be arguing against said reduction. The LAO has estimated the number of nurses needed at Yountville Annex 2 to be 23, while our number is 37. The LAO has suggested the Department of Health Services come in and do an evaluation to determine the standard needed. The analyst suggests the fund-raising for the Veterans Memorial Commission has been a failure, and to have that function transferred to another agency. Whatever problems we have been experiencing concerning fund-raising are largely attributable to the old commission, which has been replaced by the governor, and funding has been on hold pending resolution of a lawsuit only recently settled.

The meeting was adjourned.

FUTURE MEETING DATES AND LOCATIONS:

All meetings take place on Friday unless notified.

Yearly schedule is posted on web site: www.cdva.ca.gov/board

CLOSED SESSION (if necessary or required)

The general reason or reasons for a closed session, and the specific statutory authority therefore, are (1) to consider the appointment or employment of a public employee under the authority of Section 11126(a) of the Government Code; and (2) to confer with or receive advice from the Board's legal counsel regarding pending litigation under the authority of Section 11126(E)(2)(A), (2)(B), and (3) of the Government Code.

- There being no further business to discuss the meeting was adjourned at 10:45 a.m.
- These minutes are only a summary of the proceeding and are not reported here verbatim.
- These minutes are posted to the California Department of Veterans Affairs on-line website at www.cdva.ca.gov/board

ADJOURNED